

**EXHIBIT X TO
CISNEROS DECLARATION IN
SUPPORT OF PLAINTIFFS'
SUPPLEMENTAL MOTION FOR
CLASS CERTIFICATION
[ECF NO. 418-2]
REDACTED VERSION**

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION

4
5 IN RE: HIGH TECH EMPLOYEE)
6 ANTITRUST LITIGATION)
7) No. 11 CV 2509 LHK
8 THIS DOCUMENT RELATES TO:)
9 ALL ACTIONS.)
10

11
12 VIDEO DEPOSITION OF FRANK WAGNER
13 HIGHLY CONFIDENTIAL ATTORNEYS' EYES ONLY

14 March 7, 2013

15
16 Reported by: Anne Torreano, CSR No. 10520

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1 Q. Okay. And so sitting here today in 2013, your
2 responsibility really is director of the comp team with
3 the duty for employee compensation programs.

4 Is that the current

10:26:37 5 A. I think that

6 Q. scope?

7 A. that would be an accurate representation,
8 yes.

9 Q. Okay. Starting in the 2007 time period when
10 you joined, in terms of your please describe what
11 you did in terms of running or having responsibility
12 for the employee compensation programs.

13 MR. RUBIN: Objection. Vague.

14 THE WITNESS: So I can continue to answer
15 that?

16 MS. DERMODY: Yeah.

17 THE WITNESS: Okay.

18 MR. RUBIN: Always, unless I tell you not to.

19 THE WITNESS: Okay. Good. Thank you. Thank
20 you.

21 So I can give you a brief summary. So it
22 would include running our regular compensation
23 programs. So we have a an annual merit cycle and a
24 bonus planning cycle, an equity refresh or annual grant
10:27:37 25 cycle. It included any competitive analysis that the

1 team did. So what we call benchmarking in the
2 compensation field.

3 It call it also included the approval of
4 all offers that were to external candidates. At the
10:28:02 5 time it also included running our quarterly performance
6 management program in that in terms of opening up a
7 tool into which performance ratings were placed and
8 then summarizing and doing analysis that resulted.

9 It would include running our sales
10:28:20 10 compensation design efforts. So the sales bonus
11 program that applies to folks on our quarterly sales
12 plan.

13 And it would it included at the time the
14 preparation of materials for our leadership development
10:28:40 15 and compensation committee, which we refer to as
16 "LDCC" is the acronym, and producing those materials
17 and participating or sitting in the meetings as it was
18 presented to the committee.

19 BY MS. DERMODY:

10:28:56 20 Q. Anything else?

21 A. It would have included things related to
22 compensation policies, for example, like, for example,
23 how is compensation treated when somebody transfers
24 from Country A to Country B or Job A to Job B.

10:29:17 25 There were there's a there are probably

1 a variety of things on a day to day basis that would
2 come up that I'm probably not remembering off the top
3 of my head, but there's a variety of things that relate
4 to that.

10:29:34 5 Q. Okay. In terms of the major responsibilities,
6 does that pretty much cover it?

7 A. To the best of my recollection, yes.

8 Q. Okay. And have those responsibilities changed
9 since that time, or are you covering the same ground
10 that you just described?

11 A. With the exception of running the performance
12 management process and running the executive
13 compensation activities, pretty much the same. And
14 then since that time, since I started, we have a
15 process set up in place for counteroffers, and that
16 would be included in my current remit.

17 Q. And if you could place in time a day when the
18 counteroffer initiative was added to your scope of
19 duties or responsibility, when would that be?

10:30:33 20 A. Well, I think that it was arguably I don't
21 recall the first specific time of a counteroffer that
22 came up and then but it was probably sometime during
23 2007.

24 And then at some time thereafter, and I can't
10:30:50 25 recall the specific date, it might have been in 2007,

1 it could have been early 2008, we actually set up a
2 regular process so in order to ensure that we were
3 doing things in a rapid fashion.

4 Q. Let me ask you about a couple of these areas
10:31:11 5 that you just described to make sure I understand what
6 would be involved in them.

7 You mentioned having some responsibility over
8 equity refresh?

9 A. Yes.

10:31:19 10 Q. Did I get that correct?

11 A. Yes.

12 Q. What is that?

13 A. Equity refresh at Google is our annual
14 employee stock grant.

10:31:31 15 Q. And what was your responsibility with respect
16 to that?

17 A. Broadly it would be that my team developed the
18 guidelines that managers will use to make judgments, or
19 planners. Usually it was very senior managers and
20 executives that made those decisions. And then we
21 would run the process.

22 So going out to the planners, issuing them the
23 tool, doing the analysis when things came back, and
24 ensuring, once we got the final judgments of the
10:32:09 25 leaders who made decisions about equity grants, that

1 they were forwarded and granted.

2 So we ran the granting process or compiled the

3 list and analysis related to the granting process.

4 Q. Okay. And you mentioned the annual grant

10:32:26 5 cycle. Is that all part of the equity refresh?

6 A. We had yes.

7 Q. Okay. What was the competitive analysis that

8 you were doing?

9 A. Related to equity?

10:32:41 10 Q. Related to compensation.

11 A. So my team looks at did and continues to

12 look at jobs for Google. We benchmark all jobs, or as

13 many jobs as possible, to the competitive marketplace.

14 We benchmark over 10,000 individual combinations of job

10:33:09 15 families and levels to surveys, and we produce we

16 look at obtaining a competitive target based off our

17 compensation philosophy for our salaries, for total

18 cash and also for equity.

19 Q. And is that work connected to developing

10:33:33 20 salary bands for different positions?

21 MR. RUBIN: Objection. Lacks foundation.

22 THE WITNESS: That work is related to

23 developing our market targets, and we have approximate

24 ranges for salaries around that. And those ranges are

10:33:56 25 guideposts or guidelines.

1 the market reference point. If you don't mind, I'll
2 use the "MRP" terminology because it's fewer words to
3 have to say the acronym.

4 Q. I'm sorry. That's market

10:35:17 5 A. Reference point.

6 Q. Okay.

7 A. And what we try to do is bring in new
8 candidates or new employees toward the bottom of the
9 range, because we have a pay for performance
10 philosophy, and we'd like their salaries to progress
11 and be aligned with their demonstrated performance
12 after the fact as opposed to bringing folks in higher
13 in the range.

14 It is rare that we bring in people high in the
15 range, but we do sometimes, depending on their current
16 rates of salaries at their current employer.

17 Q. Okay. And circling I appreciate that
18 description, by the way.

19 Circling back to what happens if someone's
20 going to be slotted outside the range, is there a
21 process for the planner to get approval for that, or
22 does that just happen in the planner's discretion?

23 A. So let me clarify a couple things.

24 So I would distinguish between our annual
10:36:07 25 merit cycle, where planners are actually planning for a

1 team of people and we for which we have budgets, and
2 that should be distinguished from new hire, new hire
3 rates of pay.

4 So planners or managers have less input,
10:36:25 5 except at the executive level, but they have input, of
6 course, for new hire offers.

7 Because of our ranges being highly competitive
8 and well above market, it is a rarity that folks would
9 be outside the top of the range.

10:36:40 10 Q. Okay. And then switching to an incumbent
11 employee who a manager might think deserves more pay
12 than the range would allow, what is the process for
13 for that salary to be approved?

14 MR. RUBIN: Objection. Vague.

10:36:59 15 THE WITNESS: Well, if you mean what happens
16 if someone is highly paid relative to our market
17 target, if they are a stellar performer, then it's
18 likely that a proposed increase would be approved, but
19 it would be their judgment.

10:37:16 20 And then if it was a poor performer, then we
21 may not approve that rate of salary increase.

22 BY MS. DERMODY:

23 Q. And what is the approval process for that
24 position?

10:37:29 25 A. It goes from the compensation team and me up

1 to Laszlo Bock, and Laszlo Bock is the final
2 determiner

3 Q. Okay.

4 A. as the head of HR. Or People Operations we
10:37:41 5 call it.

6 Q. Okay. And is that for all employees in the
7 company?

8 A. That is the process for nonexecutives, or
9 exclusive of vice presidents, yes.

10:37:51 10 Q. Okay. And was that the process in 2007 when
11 you started?

12 A. Yes.

13 May I clarify?

14 Q. Of course, yes.

10:38:06 15 A. So when I started in 2007, the final decider
16 was Shona Brown for, I believe, the first year, and
17 then the responsibility fell to Laszlo Bock
18 subsequently.

19 Q. Okay. And in your experience, have most of
10:38:23 20 the employees been paid within the salary ranges for
21 the position they're assigned to?

22 MR. RUBIN: Objection. Lacks foundation.

23 THE WITNESS: What do you mean by "most"?

24 BY MS. DERMODY:

10:38:31 25 Q. Is it more the exception than the rule that

1 employees are paid within their salary range?

2 MR. RUBIN: Same objection.

3 THE WITNESS: Most employees are paid within
4 the salary range.

10:38:45 5 BY MS. DERMODY:

6 Q. You describe, as one of the various
7 responsibilities that you've had, offers to external
8 candidates.

9 Can you tell me what that involves?

10:39:06 10 A. Offers involves how much we pay a particular
11 candidate, and that would be comprised of their [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 Q. And what is your role with respect to those
15 issues?

16 A. My well, may I clarify? My team per
17 works with another group in People Operations which

18 [REDACTED]

19 [REDACTED]

10:39:53 20 [REDACTED]

21 [REDACTED]

22 Q. Which types of things would fall within
23 another group in People Operations and which things
24 would fall to you?

10:40:20 25 A. So the other group in People Operations is

1 part of what we called People Technology Operations at
2 the time. We now refer to it as Google People
3 Services. And they do the rote or standard offers.

4 [REDACTED]

10:40:43

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED] [REDACTED]

9 [REDACTED]

10:40:57

10 Q. Okay. And then what goes to you? All the
11 rest?

12 A. Oh, you mean to our team?

13 Q. Yes.

14 A. [REDACTED]

10:41:07

15 [REDACTED]

16 [REDACTED]

17 [REDACTED] [REDACTED]

18 [REDACTED]

19 [REDACTED].

10:41:26

20 Q. Okay. And just so I can be sure I'm
21 following, [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

10:41:47

25 [REDACTED]

1 [REDACTED]

2 A. [REDACTED]

3 Q. And has that system been in place since you
4 started in 2007?

10:42:02 5 A. No.

6 Q. When did that start?

7 A. 2011.

8 Q. Okay. So that's more recent?

9 A. Correct.

10:42:09 10 Q. Back in the 2007 era, was there a different
11 approach to offers that involved your team?

12 A. [REDACTED]

13 [REDACTED] [REDACTED]

14 [REDACTED] [REDACTED]

10:42:35 15 [REDACTED]

16 Q. Okay. [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

10:43:01 20 [REDACTED]

21 A. I'm not sure I know how to interpret that. Do
22 you mean like similar candidates like new college
23 grads?

24 Q. Sure.

1 similar candidates like software engineers, probably
2 not, given their variation in current compensation.

3 Q. Okay. So in part, their offer relied on what
4 their existing compensation was at a different
10:43:32 5 employer?

6 A. Yes.

7 Q. Going back to when you started in 2007, you
8 described also having some responsibility for the
9 materials that went to the LDCC.

10:44:03 10 What was that responsibility?

11 A. Each quarter we had a compensation committee
12 meeting, and there is a variety of updates or special
13 requests that we provided to the LDCC, and it was
14 preparing those materials.

10:44:22 15 Q. And has that quarterly meeting continued from
16 2007 to the present?

17 A. Correct.

18 Q. Okay. And the LDCC is a committee of the
19 board of directors?

10:44:43 20 A. It is.

21 Q. Okay. And do you recall, when you first
22 started, who was on the LDCC?

23 A. My recollection was that it was Paul Otellini
24 and Art Levinson.

10:45:02 25 Q. Were there standard data reports or metrics

1 that the LDCC requested from you? We'll go back to
2 sort of the 2007 era. If you recall.

3 A. You mean as part of the regular materials?

4 Q. Yes.

10:45:31 5 A. We had a standard set of reports that we
6 provided, yes.

7 Q. And what was I'm sorry.

8 A. I don't know if we they requested it
9 specifically or we provided them, but we continued
10 providing, from April onwards, when I joined, what
11 similar to what had been provided before.

12 Q. Okay. And what was included in the standard
13 reports?

14 A. Best of my recollection, [REDACTED]

10:46:01 15 [REDACTED]
16 [REDACTED]
17 [REDACTED].

18 Q. Did you do reporting on total salary as a line
19 item for the company?

10:46:31 20 A. I'm not sure I know what you mean.

21 Q. [REDACTED].

22 A. [REDACTED]
23 [REDACTED]

24 Q. Okay. And again, just so I understand what
10:46:50 25 this means, what would be [REDACTED]

1 [REDACTED] What does that involve?

2 A. [REDACTED]

3 [REDACTED]

4 [REDACTED]

10:47:20

5 [REDACTED]

6 [REDACTED]

7 Q.| [REDACTED]

8 [REDACTED]

9 [REDACTED]

10:47:34

10 A. The former.

11 Q. Okay. In terms of the standard reporting that
12 happened starting in 2007, have there been new or
13 additional items that you didn't mention previously
14 that have been reviewed?

10:48:01

15 A. Yes.

16 Q. Okay. And what have those been?

17 A. [REDACTED]

18 [REDACTED]

10:48:20

19 Q. And when did those summaries begin to be
20 reported?

21 A. I don't recall the specific dates. Perhaps in
22 late 2007 or early 2008, but I would be speculating.

23 Q. Okay. You think it was before 2009, at some
24 point?

10:48:39

25 A. If speculating, I would say yes.

1 Q. Is there a date you're sure you were doing
2 it? 2009?

3 A. I'm sure we were doing it in 2009.

4 Q. Okay. So 2009 or earlier?

10:48:55 5 A. Correct.

6 Q. Okay. [REDACTED]

7 [REDACTED]

8 A. The summaries [REDACTED]

9 [REDACTED]

10:49:14 10 [REDACTED]

11 [REDACTED]

12 Q. And for what purpose were you tracking all of
13 that information?

14 A. [REDACTED]

10:49:40 15 [REDACTED]

16 Q. And why was that?

17 A. [REDACTED]

18 [REDACTED]

19 Q. Okay. Let me ask you, in addition to the
20 different categories of information that you have
21 described being part of the standard reports to the
22 LDCC, are there any other categories that you can
23 recall that were standard in the reports?

24 A. There were periodic reports. That means not
25 every quarter. But there are other topics that were

1 covered such as [REDACTED]

2 [REDACTED].

3 Q. Anything else?

4 A. If there was a special type of programs.

10:50:45 5 Q. What would be an example?

6 A. [REDACTED]

7 [REDACTED]

8 Q. Anything else?

9 A. That's what I recall.

10:51:07 10 Q. Okay. [REDACTED]

11 A. [REDACTED]

12 [REDACTED] [REDACTED]

13 [REDACTED]

14 Q. Okay. Did any of the special programs you
10:51:33 15 recall reporting on to the LDCC involve recruiting or
16 compensation for all employees?

17 A. For all employees?

18 Q. Yes.

19 A. No.

20 Q. Were any of the special programs programs
21 involving certain large sets of employees?

22 A. No.

23 Q. Okay.

24 MR. RUBIN: Let me just go ahead at this
25 point I usually wait for documents since we are

1 getting into confidential business discussions,
2 designate the transcript under the protective order as
3 highly confidential, attorneys' eyes only.

4 MS. DERMODY: Okay.

10:52:10 5 BY MS. DERMODY:

6 Q. In terms of the periodic reporting, what do
7 you recall being reported about the compensation
8 philosophy of the company?

9 MR. RUBIN: Objection. Vague.

10:52:26 10 THE WITNESS: Do you mean in 2007 or 2008
11 or ...

12 BY MS. DERMODY:

13 Q. Let's start with 2007, sure. And this is what
14 you had described as a periodic report to the LDCC.

10:52:36 15 A. Right.

16 So in 2007 we changed our compensation
17 philosophy to increase our market targeting for our
18 cash compensation.

19 Q. And what did that involve?

10:53:00 20 A. [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

24 Q. [REDACTED] ?

10:53:18 25 A. [REDACTED]

1 Q. Did that compensation philosophy change in
2 2008?

3 A. No.

4 Q. Okay. How about in 2009?

10:53:30 5 A. No.

6 Q. Okay. In 2010?

7 A. It was decided in 2010 we would change the
8 compensation philosophy for implementation at the
9 beginning of 2011.

10:53:45 10 Q. And was that the initiative called "Big Bang"?

11 A. Big Bang was a result of that change in
12 compensation philosophy.

13 Q. Okay. And how would you characterize that
14 change?

10:54:00 15 A. [REDACTED]

16 [REDACTED]
17 [REDACTED]

18 Q. Okay. In terms of the periodic reporting to
19 the LDCC, was there anything else you recall about
10:54:21 20 compensation philosophy that was reported in that 2007
21 to 2010 time period other than what you've just
22 described?

23 A. For the broad based employee population?

24 Q. Yes.

10:54:34 25 A. Those are the major in terms of major

1 compensation philosophy or targeting, pay targeting,
2 no, that would cover it.

3 Q. Okay. Were there changes in the compensation
4 philosophy that were reported out to the LDC [sic]
10:54:54 5 involving certain groups of employees in 2007?

6 A. Separate from

7 Q. All employees.

8 A. the employee population?

9 Q. Yes.

10:55:05 10 A. Or separate from special projects?

11 Q. Yes.

12 A. I don't believe so.

13 Q. Okay. Were there certain special projects
14 that were focused on groups of employees in the 2007
10:55:21 15 time period?

16 A. There may have been specific other types of
17 projects for single employees or small groups of
18 employees.

19 Q. Okay. Not large groups of employees?

10:55:42 20 A. Correct.

21 Q. And would that be true for 2008?

22 A. The same would apply.

23 Q. Okay. And how about 2009?

24 A. To the best of my recollection, yeah, the same
10:55:56 25 would apply.

1 came, and that person in that role varied during that
2 period.

3 Q. Who was the person when you started in '07?

4 A. David Rolefson, R o l e f s o n .

11:02:02 5 Q. And who took over for Mr. Rolefson when he was
6 no longer in that position?

7 A. Eric Schaffer, I believe.

8 Q. Okay. And when did Mr. Schaffer take over
9 that role?

11:02:22 10 A. I believe it was at the end of 2007.

11 Q. Okay. And has Mr. Schaffer had that role ever
12 since, or has it been someone else?

13 A. Mr. Schaffer has had that role ever since.

14 Q. Okay. And then going all the way back to when
15 you testified that one of your areas of
16 responsibilities was compensation policy, can you
17 elaborate on what that involves?

18 A. I would say that compensation policy would be
19 things where there were special cases related to
20 compensation. For example, the treatment, as I
21 mentioned, of movement between jobs or locations, if
22 there was an on call policy, a thing like a shift
23 premium policy.

24 Q. Anything else?

11:03:29 25 A. I think well, there are probably other

1 things I'm not recalling. Most of the other things,
2 you can call them policy, are just sort of assumed in
3 the base pay program, sales bonus design, equity
4 design, and the benchmarking process. All those things
11:04:01 5 had a policy related activity, but as a separate as
6 a separate concept outside of our norm, that's probably
7 a fair statement, or those are things I'm remembering.

8 Q. Okay. Going to base pay, did your group have
9 responsibility for evaluating whether the salary ranges
11:04:27 10 were appropriate for the titles or job families in the
11 company?

12 MR. RUBIN: Objection. Vague.

13 THE WITNESS: Yeah, could you repeat the
14 question?

11:04:43 15 BY MS. DERMODY:

16 Q. Sure.

17 Let me go back to 2007. When you started in
18 2007, were there salary ranges then?

19 A. There was a notion of a salary range. There
11:05:03 20 were there was a [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

11:05:32 25 [REDACTED]

1 Q. [REDACTED]

2 [REDACTED]

3 [REDACTED]?

4 A. Yeah. [REDACTED].

11:05:48 5 Q. [REDACTED] [REDACTED]
6 [REDACTED]? Make sure I understand it.

7 A. That's correct.

8 Q. Okay.

9 A. When I joined, yes.

11:05:55 10 Q. Okay. And what would the guidelines cover?

11 A. [REDACTED] [REDACTED]

12 [REDACTED]

13 [REDACTED] [REDACTED]

14 [REDACTED]

11:06:20 15 [REDACTED]

16 [REDACTED]

17 When I joined, to be clear, we changed the

18 methodology, [REDACTED]

19 [REDACTED]

11:06:39 20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

11:07:28 25 (DEPOSITION EXHIBIT 1600 MARKED.)

1 BY MS. DERMODY:

2 Q. So the document that's been placed in front of
3 you was produced to us without a Bates number, we call
4 it Bates number, a number on the front, but on the
11:07:48 5 second page, you should see up at the top right corner
6 a number that says "395420."

7 Do you see that?

8 A. I see that.

9 Q. Great.

11:08:02 10 This document we've marked as Exhibit 1600 has
11 the title on the first page "Google 2004 Salary
12 Ranges." And by this title it seems clear you were not
13 at Google in 2004.

14 A. That's correct.

11:08:19 15 Q. But looking at the way this is laid out, does
16 this document appear to correspond to what you just
17 described was the system in 2007 for salary ranges?

18 A. Yes, it generally corresponds. [REDACTED]

19 [REDACTED]

11:08:53 20 [REDACTED]

21 [REDACTED]

22 [REDACTED] [REDACTED]

23 [REDACTED] but otherwise it looks like, in general,
24 the same structure, although the numbers differ from
11:09:13 25 what they were when I joined in 2007.

1 Q. Great.

2 And when you joined in 2007, were you able to
3 observe on your computer or did you have passed out to
4 you a document that would have had the Google 2007
11:09:30 5 salary ranges of this structure on Exhibit 1600?

6 A. I it's yes, I would have I believe or
7 I strongly believe that I would have seen something
8 generally similar to this. Not in the same format,
9 because this is not what I recall. But something
11:09:50 10 similar to this.

11 Q. Okay. And again, just so I can understand
12 what the document means, if you can start with region
13 1, is this identifying a geographic region for these
14 salaries?

11:10:14 15 A. Region 1 would be yes, the lists in the
16 parentheses, to clarify, are acronyms or abbreviations
17 for Google locations. So it would apply if this is
18 consistent with how it was in 2007, it would apply to
19 the cities that are listed.

11:10:38 20 Q. Is "MV" Mountain View?

21 A. Yes.

22 Q. And New York City.

23 A. What's "SMOLA"?

24 Q. Santa Monica Los Angeles.

11:10:50 25 Q. And then is the next Boston and Seattle?

1 A. Yes.

2 Q. Is that Virginia?

3 A. I don't know, since we don't have that
4 nomenclature anymore.

11:11:02 5 Q. Okay. And then it looks like something in
6 Australia?

7 A. No, Austin, Texas.

8 Q. Oh, Austin. Excuse me.

9 And is that Chicago?

11:11:09 10 A. Correct.

11 Q. Okay. And just looking again at this box on
12 the top left, it says "Tech Salary Structure"; is that
13 correct?

14 A. That is correct.

11:11:19 15 Q. And would that include software engineers and
16 people in the engineering side of the company?

17 A. That would be primarily software developers,
18 yes, software engineers.

19 Q. And then the grades go from [REDACTED]; is
11:11:38 20 that correct?

21 A. Well, I would say the grades for the tech
22 salary structure go from [REDACTED] [REDACTED]

23 [REDACTED] [REDACTED] It really isn't part
24 of the tech structure.

11:11:53 25 Q. Okay. And what is your understanding of how

1 to read what the different columns mean?

2 A. [REDACTED].

3 I'll just go across the top.

4 Q. That's perfect. Thank you.

11:12:11

5 A. [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

11:12:27

10 [REDACTED] I also would

11 infer that was based on our philosophy at the time.

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

11:12:48

15 [REDACTED]

16 Q. And then going down to the next the middle
17 boxes, [REDACTED]?

18 A. [REDACTED]

19 [REDACTED]

11:13:16

20 [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED]

23 [REDACTED]

24 [REDACTED]

11:13:29

25 Q. Okay. And that group has the [REDACTED]

1 four guidelines, does this document we've marked as
2 Exhibit 1600 reflect the four guidelines, or would
3 there have been something else you would be talking
4 about in the 2007 era?

11:18:00 5 A. Well, we had this general topical structure
6 for the first six or eight months of 2007, and then we
7 moved to something more granular.

8 Q. Okay. And can you describe for me what
9 changed?

11:18:19 10 A. What changed in terms of the salaries?

11 Q. Yes, the salary ranges.

12 MR. RUBIN: You're not asking about specific
13 numbers. You're just asking about the

14 MS. DERMODY: Philosophy.

11:18:43 15 MR. RUBIN: concepts?

16 THE WITNESS: Oh, okay.

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

11:18:55 20 [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
11:19:40 5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 BY MS. DERMODY:
11:19:54 10 Q. [REDACTED]
11 [REDACTED]
12 A. [REDACTED]
13 [REDACTED]
14 Q. And since that change happened, have there
11:20:17 15 been other conceptual changes to the salary range
16 approach?
17 A. No, we've maintained that general approach
18 that we benchmark and compare jobs, [REDACTED]
19 [REDACTED]
11:20:35 20 [REDACTED]
21 Q. And if you wanted to identify what the target
22 salary would be for a certain job within a certain
23 grade, could you go online or go to some place in your
24 office and pull up what that was for that job family
11:21:00 25 and that grade?

1 A. Could I do it?

2 Q. Yes.

3 A. Yes.

4 Q. And could you have done that since this change
11:21:08 5 in philosophy happened?

6 A. Since since we implemented the more
7 granular approach?

8 Q. Yes.

9 A. Yes.

11:21:14 10 Q. And where would you locate that information in
11 terms of your computer system or your files? Is there
12 a manual, or is it a certain database?

13 A. We keep data on market reference points in a
14 Excel file.

11:21:32 15 Q. And that's for every job family?

16 A. Yes.

17 Q. And if you were to physically have to identify
18 on the computer where to look for that Excel file, is
19 it contained within a certain employee's documents, or
11:22:04 20 is it something that has a certain title within your
team?

22 A. It's a secure area of the Google servers
23 somewhere.

24 Q. So if you were instructing another person who
11:22:20 25 wasn't familiar with how to locate that document and

1 you needed to find it, what would you tell them to look
2 for? Is there a certain search you would do?

3 A. If I was talking to someone on my team, they
4 would know where to find it. I would say, "Get me the
11:22:34 5 MRP file." But it is on a secure area of the Google
6 server that's set aside for the compensation team.

7 I have not had the occasion to actually do
8 go and look at myself, since my team does that as
9 opposed to me personally.

11:22:54 10 Q. Okay. But the common name would be the "MRP
11 file"? Is that fair?

12 A. The list of our MRPs is in the MRP file, yes.

13 Q. Okay. Thank you.

14 MS. DERMODY: Should we take a short break?

11:23:06 15 MR. RUBIN: Sure.

16 MS. DERMODY: We've been going for a bit.

17 MR. RUBIN: Sure.

18 MS. DERMODY: Thanks.

19 THE VIDEOGRAPHER: This is the end of video
11:23:12 20 No. 1. The time is 11:23 a.m. We're going off the
21 record.

22 (RECESS TAKEN.)

23 THE VIDEOGRAPHER: This is the beginning of
24 video No. 2 in the deposition of Frank Wagner. The
11:39:36 25 time is 11:39 a.m. We're back on the record.

1 BY MS. DERMODY:

2 Q. Okay, Mr. Wagner. Going back to when you were
3 describing some of your areas of responsibility as a
4 director, you mentioned that at some point you added to
11:39:54 5 your regular responsibilities an initiative involving
6 counteroffers.

7 Do you recall that?

8 A. Yes.

9 Q. And can you describe what that was involving?

11:40:03 10 A. The counteroffer initiative, I'm not could
11 you be a little clearer as to the specifics there, what
12 you're looking for?

13 Q. Sure. Maybe I was confused. So you tell me
14 if I didn't get this correctly.

11:40:20 15 Initially you described a whole list of areas
16 of responsibility that were part of what you were
17 handling when you first started in 2007, and then there
18 was some changes over time, and one of the changes that
19 added a responsibility, I thought, was the counteroffer
11:40:39 20 area.

21 Was that a misunderstanding on my part?

22 A. No. I think what happened is that the
23 counteroffer used was infrequent and ad hoc when I
24 first joined, with a very small end count. But then I
11:40:57 25 recall, whether it was toward the end of '07 or so, the

1 counteroffer request became more frequent. And so,
2 working with Laszlo, we determined that we should
3 implement a more formal process where we designated
4 people on the team to be available to assist with the
11:41:16 5 counteroffer process.

6 Is that enough information for you?

7 Q. Yes.

8 A. I'm sorry. I'm sure that yeah. I'm sure
9 you'll well

11:41:25 10 Q. Yes. I appreciate that. I'll probably
11 trouble you with follow up questions when I'm confused.

12 A. Got it.

13 Q. But thank you.

14 A. Got it.

11:41:32 15 Q. And I do have some follow up questions.

16 A. Okay.

17 Q. So in terms of the counteroffer, the
18 formalization of the process for counteroffers, did
19 that involve all jobs at Google or was that targeted to
11:41:44 20 certain types of jobs?

21 A. The counteroffer process [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]

11:42:18 5 Q. And using the different categories of types of
6 jobs that are represented on Exhibit 1600, [REDACTED]
7 [REDACTED]
8 [REDACTED] be possible in all of those areas
9 or only in some of them?

11:42:44 10 A. When at what initially, you mean?

11 Q. Yes, initially.

12 A. [REDACTED]

13 [REDACTED]
14 [REDACTED]

11:43:00 15 Q. And when you say "initially," did you mean
16 when you started in 2007?

17 A. Correct.

18 Q. Okay. And did that

19 A. And sorry.

11:43:07 20 And then also when we implemented the more
21 formal process for established on my team to help
22 with the counteroffer process.

23 Q. Okay. So that continued. [REDACTED]

24 [REDACTED]
25 that

1 A. [REDACTED] .

2 Q. Okay. As you recall, when you started to
3 formalize a counteroffer process, did you develop
4 guidelines for how to counteroffer?

11:43:42 5 A. Yes.

6 Q. And what were those?

7 MR. RUBIN: Objection. Vague.

8 THE WITNESS: Well, if you mean that
9 there's two aspects, I think. One is whether we should
11:43:57 10 counteroffer, and secondly would be the magnitude, is
11 how I think about it.

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

11:44:10 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

11:44:37 20 BY MS. DERMODY:

21 Q. And over time, did the guidelines on magnitude
22 change?

23 A. So do you mean like in 2008 or 2009?

24 Q. Sure.

11:44:46 25 A. [REDACTED],

1 [REDACTED]

2 [REDACTED]

3 Q. [REDACTED]

4 [REDACTED]

11:45:13 5 [REDACTED]

6 A. [REDACTED]

7 Q. Okay. [REDACTED]

8 [REDACTED]

9 [REDACTED]

11:45:24 10 A. The select companies initially, when we first
11 initially did it, did the process, it was focused
12 primarily, [REDACTED]

13 [REDACTED]

14 Q. Okay.

11:45:38 15 A. And then your other question was did did
16 you say did you ask for other companies? Is that
17 what you said?

18 Q. Sure. Were there other companies as well in
19 the select companies that you were counteroffering to?

11:45:51 20 A. [REDACTED]

21 [REDACTED]

22 Q. And what were those?

23 A. [REDACTED]

24 [REDACTED] [REDACTED]

11:46:12 25 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 Q. And were there any other of those companies
4 that you can recall?

11:46:29 5 A. [REDACTED]

6 [REDACTED]

7 [REDACTED] [REDACTED]

8 [REDACTED]

9 [REDACTED]

11:46:53 10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 Q. [REDACTED]

11:47:11 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

11:47:27 20 A. Well, I was implementing that, so I didn't
21 make those decisions. That was made by our executive
22 team. [REDACTED]

23 [REDACTED]

24 [REDACTED] That was my understanding.

11:47:44 25 Q. Okay. And just in terms of going back to

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]

11:48:04 5 Is that correct?

6 A. That is correct.

7 Q. [REDACTED]
8 [REDACTED]

9 A. That is correct.

11:48:10 10 Q. And how did you make [REDACTED] how did you change
11 that approach?

12 A. [REDACTED]
13 [REDACTED]
14 [REDACTED]

11:48:28 15 Q. [REDACTED] ?

16 A. No.

17 Q. Larger [REDACTED] explain.

18 A. Sorry. A [REDACTED].

19 Q. Okay.

11:48:38 20 A. [REDACTED]
21 [REDACTED]
22 [REDACTED]

23 Q. Okay. [REDACTED]
24 [REDACTED]

11:48:56 25 [REDACTED]

1 you started in the company?

2 A. For the compensation team?

3 Q. Yes.

4 A. We we have by various names, whether
11:58:03 5 it's the direct report or the managers in
6 compensation. We've called it different things over
7 time. But there are weekly meetings of the managers or
8 leaders in the compensation team, and there are monthly
9 to bimonthly all hands meetings.

11:58:17 10 Q. And has that been since you started in 2007,
11 those two types of meetings for your team?

12 A. Yes.

13 Q. Okay. And is there a difference of attendees
14 in the weekly meetings versus the monthly or bimonthly
11:58:42 15 all hands?

16 A. Right.

17 So the monthly all hands would be everybody,
18 and the weekly meeting was generally managers. So that
19 population has varied from five to eight people on
11:58:55 20 average.

21 Q. And how about the monthly or bimonthly
22 all hands meeting? How big is that group?

23 A. Well, when I joined it was about ten people,
24 and now it's about 42 or 43.

11:59:07 25 Q. Okay.

1 A. So we've grown with the company. You know,
2 we've quadrupled, and I think the company is about 4X
3 the time the size of what it was when I first
4 started.

11:59:19 5 Q. And in terms of subject matter that's covered
6 in these two different meetings, can you tell me about
7 the weekly meeting? And if it's changed over time,
8 feel free to say it was different in '07 versus
9 present.

11:59:34 10 A. No, it would be it would be very similar.

11 [REDACTED]
12 [REDACTED] [REDACTED]
13 [REDACTED]
14 [REDACTED]
11:59:59 15 [REDACTED]
16 [REDACTED] [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]

12:00:12 20 [REDACTED]
21 [REDACTED]

22 Q. Okay. And who are there certain titles
23 under the compensation under your title, director of
24 compensation, that are let me strike that.

12:00:32 25 The people who attend the weekly meeting are

1 all the managers who report to you on the compensation
2 team; is that correct?

3 A. As yes, as well as those who report to Eric
4 Schaffer.

12:00:41 5 Q. Okay. And then what are the types of topics
6 covered at the all hands monthly or bimonthly meeting?

7 A. [REDACTED]
8 [REDACTED]
9 [REDACTED]

12:01:11 10 [REDACTED]
11 [REDACTED] We would do team debriefs. Those types of
12 things.

13 Q. Okay. And has that been the general subject
14 area since you started in 2007?

12:01:32 15 A. Yes.

16 Q. Okay. And thinking about your team meetings,
17 have those meetings ever talked about recruiting
18 issues?

19 MR. RUBIN: Objection. Vague.

12:01:45 20 THE WITNESS: No.

21 BY MS. DERMODY:

22 Q. Okay. And that's true for your manager
23 meeting as well as the all hands?

24 A. The if by "recruiting" do you mean the
12:01:56 25 volume of offers that we had to extend from the team

1 didn't know how it whether we'd be concerned or not.

2 Q. Okay. And did you then speak with Mr. Geshuri
3 about the list?

4 A. I can't recall if I spoke or whether it was an
12:05:24 5 e mail conversation. But we had an interaction on the
6 list, yes.

7 Q. And at some point did you physically observe a
8 list of companies to not cold call into?

9 A. I don't recall that. My recollection is that
12:05:38 10 Genentech was on the list and there were other
11 companies on the list.

12 Q. And you're not sure whether or not you
13 actually saw the list or just learned of it in some
14 other way?

12:05:52 15 A. I don't believe I saw a physical list. I
16 can't recall. Arnnon may have said met me in the
17 hallway, or maybe it was e mail or something like that,
18 but I don't recall specifics.

19 Q. Mr. Wagner, placed in front of you is a
12:06:36 20 document that was previously marked at a deposition as
21 Plaintiff's Exhibit 1049. Do you see that number
22 stamped on the document?

23 A. Yes, I do.

24 Q. Okay. And you'll if you'll look on the
12:06:47 25 bottom left on that first page, you'll see a date that

1 says 3/7/2007.

2 Do you see that?

3 A. I do.

4 Q. Okay. And in looking at this document, do you
12:07:01 5 recognize having seen this at some point?

6 A. Yes.

7 Q. Okay. And when did you see this document?

8 A. Yesterday.

9 Q. Okay. And if you want to take a moment to
12:07:15 10 read through it, if you need to.

11 If you can tell me whether looking at this
12 confirms what your knowledge was in 2007 as to what
13 companies were on the list.

14 MR. RUBIN: Objection. Lacks foundation.

12:07:30 15 THE WITNESS: The only companies that I was
16 aware of or that I recall were Genentech, Intel and
17 perhaps Apple. I'm not certain of that.

18 BY MS. DERMODY:

19 Q. Okay. Did you ever become aware of Intuit
12:07:53 20 being on the list?

21 A. I think I became aware later. I think that
22 may be the case.

23 Q. Okay. Did anyone ever tell you why Genentech
24 was on the list?

12:08:14 25 A. No, they didn't tell me specifically. I only

1 assumed it was because of Art Levinson.

2 Q. Okay. And how about Intel? Did you ever have
3 an understanding of why Intel was on the list?

4 A. I think it's the same answer, in that I don't
12:08:29 5 think I ever asked specifically why Intel's on the
6 list, but since Paul Otellini was on our board, I
7 assumed it was because he was on the board.

8 Q. Okay. And how about Apple? Same question.
9 Did you ever have an understanding of why Apple was on
12:08:42 10 the list?

11 MR. RUBIN: Objection. Lacks foundation.

12 THE WITNESS: Yeah, I I same same
13 response. Although we didn't have I believe that
14 Eric Schmidt was on the Apple board at the time, but
12:08:59 15 I I assumed perhaps that was the reason, but I had
16 no basis to I just assumed that.

17 MS. DERMODY: Okay.

18 THE WITNESS: No one ever told me why these
19 companies were on the list.

20 BY MS. DERMODY:

21 Q. Okay. And same question with Intuit. Did you
22 ever have an understanding as to why Intuit became to
23 be on the list?

24 A. I think it's the same response. I don't think
12:09:16 25 anyone ever said overtly Intuit is on the list because

1 of X, but I assumed it was because Bill Campbell was an
2 advisor to Google.

3 Q. Okay. And did you have an understanding in
4 the 2007 period of what being on the list meant in
12:09:35 5 terms of what Google could or could not do?

6 A. My only understanding at the time was that we
7 wouldn't cold call employees at those companies.

8 Q. And did you have an understanding at that time
9 as to whether those companies had a reciprocal
12:09:51 10 agreement with Google?

11 A. I had no idea of that.

12 Q. Okay. You didn't know one way or the other?

13 A. Correct.

14 Q. Okay. After the communication you had about
15 the potential Genentech hire and your follow up with
16 Mr. Geshuri, did you speak with anyone else in the
17 company about the do not call policy?

18 A. I can't recall any specific conversations
19 about that.

20 Q. Okay.

21 A. I do believe that I recall there may have been
22 offers to other folks from either Intel or maybe Intuit
23 where there might have been correspondence as to
24 whether it was appropriate to extend the offer an
12:11:03 25 offer that we were planning to do.

1 Q. Okay. And when you said there was
2 correspondence, would that have been within your team
3 or someplace else in the company or external?

4 A. It would no, it would be internal to
12:11:18 5 Google.

6 Q. And would you have been involved in those
7 types of discussions?

8 A. What types of discussions?

9 Q. I'm sorry. Communications about an employee
12:11:27 10 at a company that was on the list.

11 A. Only to the degree that we were extending an
12 offer to a person from Company X and whether there
13 whether it was handled in the appropriate way, or
14 whatever we deemed to be appropriate.

12:11:44 15 Q. Okay. And who would you reach out to to ask
16 that question?

17 A. I can't recall. Perhaps Laszlo. Perhaps
18 Arnon.

19 Q. Okay. Do you recall approximately how many
12:12:06 20 times you might have had those communications about a
21 potential employee from a company on the list?

22 A. Best of my I would call it a handful,
23 perhaps five or less, but I can't I can't remember.
24 That was an approximation.

12:12:25 25 Q. Okay. Do you recall any details about any of

1 A. Short answer is this is similar to that.
2 Whether this is the same thing that Adrienne helped
3 develop or whether we developed this later, in either
4 case, it's something we used to train recruiters on our
02:22:20 5 compensation programs.

6 Q. Okay. So turning to page 36297, you should
7 have a caption at the top that says "Compensation
8 Components."

9 Do you see that?

02:22:52 10 A. I do.

11 Q. And what is this page reflecting?

12 A. Well, it looks like it's reflecting some
13 summary of details that follow in subsequent slides,
14 and it goes by category bless you. It goes by
02:23:13 15 category of compensation, the salary, and some features
16 or things we wanted providers to understand related to
17 our salary programs related to our bonus program, our
18 long term incentives and then the use of sign on
19 bonuses and relocation.

02:23:27 20 Q. Under "Base Salary" where it says
21 "Benchmarking," do you see that?

22 A. I do.

23 Q. Is the benchmarking what you testified to
24 earlier today, benchmarking to the external market, the
02:23:39 25 value of those jobs in the marketplace?

1 A. That is what I figure I meant. I'm going to
2 look at what we say.

3 Yeah. Yes.

4 Q. And the next item down below "Benchmarking" is
02:23:57 5 "Leveling."

6 Can you just describe what that is?

7 A. That would be assigning a candidate to the
8 appropriate level at Google.

9 [REDACTED] [REDACTED]

02:24:09 10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 Q. So if you were to describe what the
14 expectation is for a recruiter under "Base Salary"
02:24:26 15 using these three items listed, "Benchmarking,"
16 "Leveling" and "Proposing a Base," what would be the
17 system that they would follow?

18 MR. RUBIN: Objection. Vague.

19 THE WITNESS: Yeah, the system they would
02:24:39 20 follow for what?

21 BY MS. DERMODY:

22 Q. For setting base salary.

23 MR. RUBIN: Same objection.

24 THE WITNESS: But they didn't set base salary.

02:24:46 25 BY MS. DERMODY:

1 Q. Okay. Is this just explaining how a base
2 salary is set?

3 A. Correct.

4 Q. Okay. So they're explaining the base salary
02:24:53 5 as they understand it to the candidate?

6 A. [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED] [REDACTED]

02:25:09 10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED] [REDACTED]

14 [REDACTED] [REDACTED]

02:25:23 15 [REDACTED] We

16 have stock units, and not everybody has stock units.

17 Here's how it works.

18 And so we wanted to give them the basics of
19 each feature of the compensation program and have them
02:25:37 20 understand the benchmarking and leveling process, not
21 so they could explain our benchmarking to the to a
22 candidate, but rather just so they know we were being
23 thorough and had the right key points to understand,
24 like, you know, we benchmark to the tech market, et
02:25:54 25 cetera.

1 Q. Okay. Thank you.

2 If you could turn to page 36301, please. And
3 the caption at the top should be "Leveling."

4 Do you see that?

02:26:13 5 A. I do. I do see that.

6 Q. And the statement below that says, "When
7 leveling a job, Google aims to be internally consistent
8 and externally competitive."

9 Do you see that?

02:26:26 10 A. Yes.

11 Q. And why is it your understanding Google tries
12 to be internally consistent?

13 A. By that what we're inferring is we want to be
14 consistent in how we apply things. [REDACTED]

02:26:41 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 Q. And in what way are you trying to be
20 externally competitive?

21 A. Well, the overall magnitude or starting point
22 of our pay levels for salary are related to our MRP.
23 So how we target that determines the opportunity for
24 where a new candidate might come in.

02:27:17 25 For example, I think it might be helpful, if

1 [REDACTED]
2 [REDACTED]
3 [REDACTED] [REDACTED]
4 [REDACTED]
02:27:33 5 [REDACTED]
6 [REDACTED]
7 That's the goal. [REDACTED]
8 [REDACTED]
9 [REDACTED]

02:27:42 10 Q. Okay. If you could turn to page 36338. It
11 should say "Roles and Responsibilities" at the top.

12 Do you see that?

13 A. Yes.

14 Q. Under the bullet for "Lead Recruiter's role,"
02:28:08 15 the third dash says, "Point of contact for compensation
16 communications."

17 Do you see that?

18 A. I do.

19 Q. And what does that indicate?

02:28:17 20 A. I believe we tasked rather than train every
21 single recruiter, I believe what we did is we trained
22 the lead recruiters using these materials and then
23 asked them to train their staff to make sure they
24 understood things.

02:28:36 25 Q. Okay.

1 A. That's my recollection.

2 Q. Okay. And was it your understanding that the
3 discussion about compensation with the candidate would
4 be the responsibility of the lead recruiter, or could
02:28:49 5 it be any recruiter?

6 A. [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 Q. Okay.

02:29:01 10 A. I just think they're just a scale and
11 volume level issue if you did that.

12 Q. And was that your understanding going back to
13 2007 or is that more recent times?

14 A. No, that would be the understanding going back
02:29:13 15 in time.

16 Q. I think that might be it for that document.

17 THE WITNESS: I wonder if I could take a
18 two minute bio break.

19 MS. DERMODY: Absolutely, yes. Thanks for
02:29:51 20 asking.

21 THE WITNESS: Okay.

22 THE VIDEOGRAPHER: Do we have a time for a
23 video change?

24 MS. DERMODY: Yes, please.

02:29:56 25 THE VIDEOGRAPHER: This is the end of video

1 No. 3. The time is 2:29 p.m. We're going off the
2 record.

3 (RECESS TAKEN.)

4 THE VIDEOGRAPHER: This is the beginning of
02:38:48 5 video No. 4 in the deposition of Frank Wagner. The
6 time is 2:38 p.m. We're back on the record.

7 BY MS. DERMODY:

8 Q. Mr. Wagner, the document we I've just been
9 talking about, Exhibit 1605 should be the top one.

02:39:04 10 A. Exhibit 1606?

11 Q. Exhibit 1606.

12 Can you please turn to page 36298.

13 A. Okay.

14 Q. And the top will say "Benchmarking Overview."

02:39:23 15 Do you see that?

16 A. I do.

17 Q. And four bullets down it says the "Peer
18 comparator companies."

19 Do you see that?

02:39:30 20 A. I do.

21 Q. And this list includes Apple, you'll see?

22 Yes?

23 A. Mm hmm, it does.

24 Q. And Intel?

02:39:41 25 A. Yes.

1 Q. And Intuit?

2 A. Yes.

3 Q. And Adobe?

4 A. Yes.

02:39:47 5 Q. Among others; correct?

6 A. [REDACTED]

7 Q. And does this refresh your recollection that
8 these are have been considered among the peer
9 comparator companies?

02:40:01 10 A. [REDACTED]

11 [REDACTED]

12 [REDACTED] [REDACTED]

13 [REDACTED]

14 [REDACTED]

02:40:22 15 [REDACTED]

16 [REDACTED]

17 Q. And so this document reflects that Apple would
18 be considered a peer comparator; is that correct?

19 A. Yes, they would be part of the broader tech
20 market.

21 Q. And same with Intel and Intuit and Adobe?

22 A. Yes.

23 Q. Okay. Now, earlier this afternoon we looked
24 at a different exhibit which was marked as Exhibit
02:40:55 25 1602. I think it's the very next one below Exhibit

1 1606.

2 A. Yes.

3 Q. And when we first introduced the document, I
4 mistakenly referred to it as 1062. But as you look at
02:41:08 5 this document with the Bates number 379374, it's
6 Exhibit 1602; is that correct?

7 A. Yes, and I didn't I did not hear you say
8 "1062."

9 Q. Okay. You can feel free to correct me if you
02:41:21 10 do.

11 A. Okay.

12 Q. Thank you.

13 (DEPOSITION EXHIBIT 1607 MARKED.)

14 BY MS. DERMODY:

02:41:47 15 Q. The document we've marked as Exhibit 1607
16 should have the number 473938 on front.

17 Do you see that?

18 A. 473938, yes.

19 Q. 938.

02:42:06 20 Do you recognize this document?

21 A. I do not, but let me let me look through it
22 and see if it refreshes my memory in any way.

23 Okay. I have a general thought of what this
24 is.

02:43:07 25 Q. Okay. And what is that?

1 There are other companies, I think.

2 Q. Do you believe that the number of companies
3 beyond this is a small number, or is this a tiny
4 fraction of what's at the Deloitte quarterly meeting?

03:06:51 5 A. This is about half, I would say.

6 Q. Okay. And at that meeting, did the companies
7 share their individual comp planning predictions? Is
8 that how this was obtained?

9 A. I think it might have been sent separately to
03:07:11 10 Deloitte, but I can't recall.

11 Q. Okay. So you either got it through Deloitte
12 identified by company or you got it directly from the
13 other companies?

14 MR. RUBIN: Objection. Lacks foundation,
03:07:24 15 mischaracterizes prior testimony.

16 THE WITNESS: So say that question again.

17 BY MS. DERMODY:

18 Q. Sure.

19 Is it your testimony that you either received
03:07:33 20 the information contained on Exhibit 1611 from the
21 companies themselves, or through Deloitte, separated by
22 company?

23 MR. RUBIN: Same objection.

24 THE WITNESS: Yeah, it could be either. I
03:07:43 25 don't recall.

1 BY MS. DERMODY:

2 Q. Is it one of those two?

3 A. I believe so.

4 Q. Okay. And was there any other information
03:07:51 5 that you received about compensation on a company basis
6 from any of these companies in this time period?

7 MR. RUBIN: Objection. Vague.

8 THE WITNESS: In this time period?

9 Well, what we [REDACTED]

03:08:10 10 [REDACTED] [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED] [REDACTED]
14 [REDACTED] [REDACTED]
03:08:34 15 [REDACTED] [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 So it's more process, typically, as opposed to
19 comp comp specific details.

03:08:48 20 BY MS. DERMODY:

21 Q. When you did talk about comp, did you talk
22 about compensation of particular types of employees to
23 benchmark where you were relative to other companies?

24 A. You mean the pay levels of

03:09:02 25 Q. Yes.

1 A. for specific jobs?

2 Q. Yes.

3 A. Never.

4 Q. Did you talk about any of the recruiting
03:09:09 5 initiatives any of you were undertaking?

6 A. No.

7 Q. Other than talking about what you expected to
8 be your merit increase levels, did you talk about bonus
9 information company by company?

03:09:22 10 A. [REDACTED] [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

03:09:36 15 [REDACTED]

16 [REDACTED] [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 And your other question was?

03:09:52 20 Q. Whether you received other types of
21 company level compensation information.

22 A. [REDACTED]

23 [REDACTED]

24 Q. Did you talk about expectations around
03:10:08 25 bonuses?

1 A. No.

2 MR. RUBIN: Objection. Lacks foundation.

3 BY MS. DERMODY:

4 Q. And this is a document from 2008. Did you
03:10:16 5 share information like this with these other companies
6 in subsequent years?

7 MR. RUBIN: Objection. Vague.

8 THE WITNESS: Yeah, I don't recall. I don't
9 believe so. This context actually, if I recall, the
03:10:35 10 context of this was in October. This is when the
11 economic circumstances and stock market was dropping
12 precipitously. [REDACTED]

13 [REDACTED]

14 [REDACTED]

03:10:51 15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

03:11:06 20 [REDACTED]

21 [REDACTED]

22 BY MS. DERMODY:

23 Q. Okay. Did you receive from Deloitte a
24 selection of companies' compensation information of the
03:11:25 25 type listed here for any compensation measure, equity,

1 THE VIDEOGRAPHER: This is the end of video
2 No. 4. The time is 3:22 p.m. We're going off the
3 record.

4 (RECESS TAKEN.)

03:36:33 5 THE VIDEOGRAPHER: This is the beginning of
6 video No. 5 in the deposition of Frank Wagner. The
7 time is 3:36 p.m. We're back on the record.

8 (DEPOSITION EXHIBIT 1613 MARKED.)

9 BY MS. DERMODY:

03:36:47 10 Q. All right, Mr. Wagner, I'll pass you a
11 document that we marked as Exhibit 1613. This should
12 have the Bates number 473658.

13 Is that what you're looking at?

14 A. Yes.

03:37:05 15 Q. And do you recognize this document?

16 A. Yes. I vaguely remember the original, but I
17 recall the circumstances.

18 Q. Okay. And what is this?

19 A. This is a note to Linus Upson, who's one of
20 our senior engineering directors at the time, now a
21 vice president, and there is a group of engineers
22 who Alan Eustace and the senior executives
23 engineering executives asked us to review our proposed
24 salary model for 2007.

03:38:08 25 Q. And you'll see there's a numbered list of

1 goals of the salary algorithms as listed in this
2 e mail.

3 Do you see that?

4 A. Yes.

03:38:22 5 Q. And the first one says, "Ensure internal
6 equity by managing salaries within a reasonable range."

7 Do you see that?

8 A. I do.

9 Q. And what does that mean to you?

03:38:33 10 A. What Tiffany is saying is that there will be a
11 distribution of salaries within a job level, and that
12 job could vary vary by typically it would be
13 based off performance. That would be our philosophy.
14 So she called it "reasonable," whether appropriate or
03:38:57 15 whatever the number is. [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED] That is her
03:39:18 20 suggestion.

21 Q. And the term "internal equity," is that
22 equivalent to "fairness"?

23 A. I think that I don't know if it's exactly
24 equivalent to "fairness," but I would characterize it
03:39:34 25 as it's the appropriate relationship of pay based on

whatever factors we deem ideal or desired, which in our case is generally performance.

3 Q. And does that also include assigning a base
4 salary based on the employee's skill level and talent?

03:40:06 5 A. Well, if you're in a particular job, then your
6 general skill level should be approximately the same as
7 everyone else.

8 Oops. Do I have to go back at all or

9 So the skill level is really similar to those,
03:40:27 10 and so and they meet the qualifications for a
11 particular job level, like level 4 on our methodology
12 for someone on the T ladder. So that the
13 differentiation should be primarily based on
14 performance.

03:40:39 15 Q. Okay.

16 | (DEPOSITION EXHIBIT 1614 MARKED.)

17 BY MS. DERMODY:

18 Q. The document I just passed you was marked as
19 Exhibit 1614, and it should have the number 473778.

03:41:09 20 Do you see that?

21 A. Yes.

22 Q. Do you recognize this document?

23 A. I don't recall this document, but I see that
24 I'm copied upon it.

03:41:35 25 Q. Who is Iveta Brigitte?

1 A. Iveta Brigis is a People Operations employee
2 that used to be on the compensation team.

3 Q. And in looking at the e mail from Ms. Eng to
4 Ms. Brigis, where she says, [REDACTED]

03:41:59

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 Do you see that?

9 A. [REDACTED]."

03:42:14

10 Yes, I see that.

11 Q. If you could walk me through what this
12 sentence means. It's got some acronyms and

13 A. It's a very complicated just the way that
14 they frame it using acronyms.

03:42:26

15 MR. RUBIN: I'll just object. Lacks
16 foundation.

17 Go ahead.

18 THE WITNESS: [REDACTED]

19 [REDACTED]

03:42:39

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED] [REDACTED]

24 [REDACTED]

03:42:59

25 BY MS. DERMODY:

1 Prasad's team to compile this and to report.

2 Q. And what was the purpose of doing this
3 analysis?

4 A. [REDACTED]

05:01:40

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

05:02:19

8 Q. After the time you arrived at Google, did
9 there come a point where you formed the belief that
10 Google should raise its base salaries across all
11 employees?

12 A. [REDACTED]

13 [REDACTED] I formed an opinion that our current
14 compensation [REDACTED]

05:02:48

15 [REDACTED].

16 Q. And do you know about what year you started to
17 form that opinion?

18 A. 2008.

05:03:02

19 Q. Okay. What was your role in moving Google
20 from one compensation philosophy to another in 2010, as
21 you described at the start of the day today?

22 MR. RUBIN: Objection. Vague.

05:03:22

23 THE WITNESS: Well, I think in general terms
24 the compensation team provided the data to help our
25 executives make a decision about how to change its

1 compensation philosophy.

2 BY MS. DERMODY:

3 Q. [REDACTED]

4 [REDACTED]

05:03:43

5 [REDACTED]

6 A. [REDACTED]

7 [REDACTED]

8 [REDACTED] [REDACTED]

9 [REDACTED]

05:04:02

10 [REDACTED]

11 Q. And what was your opinion?

12 A. [REDACTED]

13 [REDACTED]

14 [REDACTED]

05:04:17

15 [REDACTED]

16 [REDACTED]

17 Q. And I think you expressed that as "our
18 opinion."

19 A. That's Frank Wagner's opinion. You asked for
20 my opinion.

21 Q. Okay.

22 A. Sorry if I was not clear.

23 Q. No, that's fine.

24 And do you recall ever discussing whether it

05:04:40

25 would be appropriate to target certain employees versus

1 all employees for a salary bump?

2 A. Our my opinion and remember that I was
3 also part of other folks on our team that participated
4 in discussions and analysis, and there was a tremendous
05:05:02 5 amount of back and forth on this. So lots of
6 discussions.

7 My recollection is most of the compensation
8 folks on my team who participated in the analysis
9 looking at the data concluded as I did, [REDACTED]

05:05:15 10 [REDACTED]

11 [REDACTED]

12 So that was the opinion. It was based off all
13 the data that we had available, so and we provided
14 data that was supportive to our senior leaders and
05:05:34 15 executives on that.

16 I don't know if that's responsive to your
17 question, if that's what you were getting at.

18 Q. Yes.

19 And that data was regarding all employees
05:05:43 20 supporting that

21 A. Yes.

22 MR. RUBIN: Just let me object. Object as
23 lacks foundation.

24 THE WITNESS: Yeah, I think that you mean
05:05:53 25 so did we discuss whether we should do it for technical

1 employees only or sales employees only or G&A employees
2 only?

3 MS. DERMODY: Correct.

4 THE WITNESS: And we you know, the
5 compensation team, Frank Wagner formed an opinion, but
6 it was still at the call of our executive team to do
7 whatever we did.

8 BY MS. DERMODY:

9 Q. And your compensation team supported the
10 ultimate decision to make that change for all
11 employees; is that correct?

12 A. Our opinion was that it would be a good thing
13 and that it would increase employee retention. That
14 was our that was our hypothesis.

15 (DEPOSITION EXHIBIT 1625 MARKED.)

16 BY MS. DERMODY:

17 Q. I'm going to pass you Exhibit 1625. That
18 should have the number at the bottom 506628.

19 Do you see that?

20 A. I do. Thanks.

21 Q. And do you recognize this document?

22 A. Yes.

23 Q. And what is this?

24 A. This is one of many discussions of documents
25 that we prepared for executive reviews, the OC review

1 related to what we called Project Big Bang.

2 Q. And was Project Big Bang what we were talking
3 about earlier, the project that changed Google from
4 having one compensation philosophy to another one?

5:07:46 5 A. Yes, it is the project that increased our
6 competitive targeting for salary compensation and total
7 cash compensation as well as the move to a more fixed
8 from a more variable pay.

9 Q. On the first page sorry, the second page of
10 the document, the first page of the proposal, as you
11 look across the line here, is this reflecting what was
12 ultimately adopted?

13 A. This proposal line right here, which is just
14 in the intro section?

15:08:20 15 Q. Yes.

16 A. So the flat 10 percent; [REDACTED]

17 [REDACTED]

18 There's a ghost writing here, so it's hard to
19 read these things.

20:08:38 20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] [REDACTED]

05:08:57 25 [REDACTED]

1 [REDACTED]

2 [REDACTED] ?

3 A. Yes, I do.

4 Q. Do you know what that means?

05:10:39 5 A. [REDACTED]

6 [REDACTED]

7 Q. [REDACTED]

8 [REDACTED]

9 A. That's correct.

05:10:51 10 Q. And was that adopted, that proposal?

11 A. [REDACTED] ?

12 Q. Yes.

13 A. [REDACTED]

14 Q. Okay. [REDACTED] ?

05:11:08 15 A. That is correct.

16 Q. Okay. On the third page, where it says "page

17 3 of 3," at the top it says "Appendix."

18 Do you see that?

19 A. I do.

05:11:19 20 Q. It says, "Total Compensation Proposal."

21 And do you see where that is?

22 A. Mm hmm.

23 Q. Can you

24 A. Sorry. Yes, yes. I'm sorry. I was nodding

05:11:30 25 my head.

1 Q. You're perfect.

2 Can you walk me through this line here so I
3 can understand what this reflects?

4 A. Yes.

05:11:37

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

05:11:57

10 [REDACTED]

11 So what that indicated is that our salaries in
12 the aggregate across all of Google would move from

13 [REDACTED] [REDACTED]

14 [REDACTED]

05:12:16

15 [REDACTED] So that our increase in cost in total

16 comp across, [REDACTED].

17 [REDACTED]

18 [REDACTED]

19 [REDACTED].

05:12:34

20 Q. Okay. [REDACTED]

21 [REDACTED] ?

22 A. Yeah, [REDACTED]

23 [REDACTED]

24 [REDACTED]

05:13:01

25 (DEPOSITION EXHIBIT 1626 MARKED.)

1 BY MS. DERMODY:

2 Q. Passing you Exhibit 1626. This should have
3 the number 416438.

4 Do you see that on the bottom?

05:13:26 5 A. Yes.

6 Q. And do you recognize this document?

7 A. Yes.

8 Q. And what is this?

9 A. So this is a document it's an e mail and my
05:14:00 10 response to a request from Alan Eustace about the
11 impact of the Big Bang proposal on actual salaries and
12 total cash or total compensation.

13 Q. And as indicated in the middle of this page,
14 it appears that Mr. Eustace raised a question about the
05:14:23 15 effect on paychecks that this proposal would have.

16 Is that a fair characterization?

17 A. He uses the term he calls it "paychecks."
18 I think he means gross compensation, because it
19 literally doesn't mean paycheck. I think of that as
05:14:41 20 after tax, and I don't think that's what he meant here.

21 But it's about employee yes, the impact on
22 employee pay.

23 Q. Okay. [REDACTED]

24 [REDACTED]

05:14:59 25 [REDACTED]

1 the HR business partners on this new compensation?

2 A. Yes, I would have.

3 Q. Okay. If you turn to the seventh page of the
4 presentation, at the top it says, "Salary: Three types
05:27:49 5 of increases."

6 Do you see that?

7 A. I do.

8 Q. And does this reflect the final decision about
9 salary that was adopted in the Big Bang initiative?

05:28:00 10 A. Yes, that there were three types of increases
11 as suggested in this on this slide, yes.

12 Q. And it says at the bottom of the same page,
13 "New base salaries will be effective January 1, 2011."

14 Do you see that?

05:28:15 15 A. Yes.

16 Q. And is that the date that this actually was
17 implemented?

18 A. That's the date salary changes were effected.

19 Q. And then on page 10 of this presentation, it
05:28:37 20 should say "Equity."

21 Do you see that?

22 A. Yes.

23 Q. Does this reflect what the change was to the
24 equity compensation part of total compensation?

05:28:49 25 A. The first two bullets are accurate. The

1 first the third bullet was not fully accurate.

2 Q. And how what was different from the third
3 bullet of what was finally adopted?

4 A. [REDACTED]

05:29:06

5 [REDACTED] [REDACTED]

6 [REDACTED]

7 Q. Okay.

8 (DEPOSITION EXHIBIT 1629 MARKED.)

9 BY MS. DERMODY:

05:29:41

10 Q. I'm going to pass you Exhibit 1629. This
11 should have the number at the bottom 509662.

12 Do you see that?

13 A. Yes.

14 Q. And do you recognize this document?

05:30:04

15 A. Yes.

16 Q. And what is this?

17 A. This is a note from a member of my team
18 regarding the actual salary spend for Big Bang relative
19 to our preliminary estimates.

05:30:33

20 Q. And does this reflect that the ultimate cost
21 of this program was [REDACTED]

22 A. That's what is that's what it says here,
23 yes.

24 Q. Do you have reason to believe that it was
25 anything different than that?

1 A. I don't.

2 Q. Okay.

3 (DEPOSITION EXHIBIT 1630 MARKED.)

4 BY MS. DERMODY:

05:31:01 5 Q. I'm passing you Exhibit 1630. The document on
6 the front should say INTUIT 39083.

7 Do you see that?

8 A. It does.

9 Q. Okay. And the second e mail on the first page
05:31:36 10 is from Mr. Setty to the L team, and it copies you.

11 Do you see that?

12 A. I do.

13 Q. And that's from April 25th of 2011; is that
14 right?

05:31:45 15 A. Correct.

16 Q. Do you recognize this document?

17 A. Yes.

18 Q. Okay. And what is this?

19 A. This is a summary of compensation changes that
05:32:03 20 Microsoft made in 2011.

21 Q. And as indicated on this document, does it
22 reflect that Microsoft in part followed what Google was
23 doing in terms of Google's compensation at the start of
24 2011?

05:32:19 25 MR. RUBIN: Objection. Vague, lacks

1 REPORTER'S CERTIFICATE

2 I, Anne Torreano, Certified Shorthand Reporter
3 licensed in the State of California, License No. 10520,
4 hereby certify that the deponent was by me first duly
5 sworn, and the foregoing testimony was reported by me
6 and was thereafter transcribed with computer aided
7 transcription; that the foregoing is a full, complete,
8 and true record of said proceedings.

9 I further certify that I am not of counsel or
10 attorney for either or any of the parties in the
11 foregoing proceeding and caption named or in any way
12 interested in the outcome of the cause in said caption.

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14 the original transcript will render the reporter's
15 certificates null and void.

16 In witness whereof, I have subscribed my name
17 this 18th day of March, 2013.

18
19 [] Reading and Signing was requested.

20 [] Reading and Signing was waived.

21 [X] Reading and Signing was not requested.

22

23

24

25

ANNE M. TORREANO, CSR No. 10520